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C O N F I D E N T I A L JERUSALEM 004335

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NEA FOR FRONT OFFICE; NEA/IPA FOR
WILLIAMS/SHAMPAINE/STEINGER; PRM FOR PDAS GREENE AND
PRM/ANE; NSC FOR ABRAMS/DORAN/WATERS; TREASURY FOR
SZUBIN/LOEFFLER/NUGENT/HIRSON; BRUSSELS FOR LERNER; PLEASE
PASS TO USAID FOR KUNDER/MCCLOUD/BORODIN

E.O. 12958: DECL: 09/28/16
TAGS: [ENRG](#) [EAID](#) [EFIN](#) [PREL](#) [PHUM](#) [KWBG](#) [JO](#) [EG](#) [IS](#)
SUBJECT: JORDAN AND EGYPT PROVIDE ELECTRICITY TO WEST
BANK/GAZA

REF: JERUSALEM 4238

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d)

11. (SBU) Summary. With the recent opening of a second electricity feeder line to Gaza, Egypt is now supplying Rafah with a total of 17 MW. Power previously provided to Rafah via feeder lines from Israel is now being diverted to other areas of Gaza where electricity remains in short supply. The first shipments of replacement transformers, associated equipment, and Egyptian technicians have begun to arrive at Gaza's damaged power plant. The Israeli government has approved a project linking the municipality of Jericho to Jordan's electricity grid. Project developers expect dramatically lower electricity costs and a significant increase in available power. End Summary.

Egyptian Electricity to Rafah

12. (C) In stage two of a project to provide Egyptian-generated electricity to Gaza, a new USD 1.7 million 12 MW electricity feeder line began transmitting September 25 from Egypt to Rafah. Earlier in September, a 5 MW line opened between Egypt and Rafah. Egypt is now supplying 7 MW of electricity to Rafah. USAID Gaza-based staff advised September 26 that the additional electricity from Egypt resulted in no net gain to Raah residents because 17 MW previously provided via feeder lines from Israel were immediately diverted to Khan Younis and Deir al-Balah in central Gaza where the supply of electricity continues to all far short of demand. The Gaza Electricity Distribution Company (GEDCO) reports that the amount of electricity transmitted via each of the 10 Israeli feeder lines has recently increased from 11 W to 12 MW. Israel, therefore, now has the capacity to supply 120 MW to Gaza. The maximum amount of electricity available in Gaza now stands at 13 MW, an increase from 110 MW one month ago. Estimates on Gaza's total demand for electricity range from 200 to 230 MW. (Note: Feeder lines from Israel have been disconnected on numerous occasions during IDF operations into Gaza, thus temporarily reducing the amount of available electricity. End Note.)

Replacement Transformers Arrive

¶3. (C) Transformers, associated equipment, and as many as 17 Egyptian technicians began transiting Kerem Shalom crossing September 26 from Egypt into Gaza. Executive Managing Director of the Gaza Power Generating Company Walid Salman advised EconChief September 28 that the delivery of three transformers and associated equipment was completed September 27. He added that two additional transformers are scheduled to arrive October 3, and the remaining two transformers will be delivered in mid-October. Salman praised the work of the Egyptian technicians who have already started work at the power plant. (Note: Israeli airstrikes June 28 completely disabled Gaza's only power plant. PA President Abbas' office authorized the purchase of seven replacement transformers with Arab League funds. The Swedish government agreed to pay for transportation and installation costs (reftel). End note.)

Jericho to Join Jordan's Electric Grid

4 (SBU) The Jerusalem District Electricity Company (JDECO) received permission from the Israeli government September 25 to link the municipality of Jericho to Jordan's electricity grid through 33 kilowatt high tension lines, according to local press reports. The company currently purchases all its electricity from the Israel Electric Company. The Jordanian government and the Palestinian Authority signed an agreement in August 2006 by which Jordan would supply Jericho with power from the Swayma plant near the Dead Sea through a 30 kilometer (18.6 mile) overhead power line. JDECO Director General Hisham al-Omari has stated publicly that the project will reduce electricity costs in Jericho by as much as 33 percent.

¶5. (C) Omari told Econoff September 28 that the Norwegian government is providing USD 1 million to pay for the 33 KV power lines from the Jordanian border to Jericho, about 8 kilometers. Project developers are seeking a soft loan from either the Arab Bank or the Saudi Bank to cover the USD 5 million cost of the 132 KV power lines on the Jordanian side, for which a down payment of USD 500,000 has been made and tenders already issued. The project will supply Jericho with 20 MW, five MW more than the city's current needs. Omari expressed his hope that the Israeli government would eventually approve 132 KV lines leading to Jericho, thereby increasing the amount of power transmitted to 80-100 MW. Other communities could then also benefit from the project. Omari estimated that the project would be finished in about a year.

¶6. (C) Omari said that JDECO is a company with Israeli and Palestinian shareholders, both public (municipalities) and private. He suggested it is perhaps the only company in the region where Israelis and Palestinians have been sitting together at monthly board meetings for years.

WALLES